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February 23, 2012

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D. C. 20423

231888

re: Docket No. NOR 42133, *Sierra Railroad Company and Sierra
Northern Railway v. Sacramento Valley Railroad, LLC,
McClellan Business Park and County of Sacramento*


Dear Ms. Brown:

Attached for filing are a **CONFIDENTIAL** and a **PUBLIC** version of the Reply of Complainants to Respondents' Motion for Protective Order.

I certify that I this day have served a copy of this letter and the **PUBLIC** version of the attachments on Respondents by e-mailing them to their attorney, Louis E. Gitomer, Esq., at lou@lgraillaw.com.

If you have any question concerning this filing or if I otherwise can be of assistance, please let me know.

Sincerely yours,


Fritz R. Kahn

cc: Louis E. Gitomer, Esq.

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Office of Proceedings

FEB 23 2012

Part of
Public Record

PUBLIC VERSION

SURFACE TRANSPORTATION BOARD

Docket No. NOR 42133

SIERRA RAILROAD COMPANY AND SIERRA NORTHERN RAILWAY,

Complainants,

v.

**SACRAMENTO VALLEY RAILROAD, LLC, MCCLELLAN BUSINESS
PARK, LLC AND COUNTY OF SACRAMENTO,**

Respondents.

**REPLY
OF COMPLAINANTS TO RESPONDENTS'
MOTION FOR PROTECTIVE ORDER**

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Attorneys for

**SIERRA RAILROAD COMPANY
SIERRA NORTHERN RAILWAY**

Dated: February 23, 2012

PUBLIC VERSION

SURFACE TRANSPORTATION BOARD

Docket No. NOR 42133

SIERRA RAILROAD COMPANY AND SIERRA NORTHERN RAILWAY,

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**SACRAMENTO VALLEY RAILROAD, LLC, MCCLELLAN BUSINESS
PARK, LLC AND COUNTY OF SACRAMENTO,**

Respondents.

**REPLY
OF COMPLAINANTS TO RESPONDENTS'
MOTION FOR PROTECTIVE ORDER**

Complainants, Sierra Railroad Company ("Sierra") and Sierra Northern Railway ("SERA") for their reply to the Motion for Protective Order, filed February 16, 2012, by Respondents, Sacramento Valley Railroad, LLC ("SAV"), McClellan Business Park, LLC ("McClellan") and County of Sacramento ("County"), as follows:

1. Complainants do not oppose the entry by the Board of a Protective Order such as the one the Respondents have proposed.. Indeed, this filing in its confidential form should be subject to the Protective Order.

2. Sierra, however, is engaged in negotiations for its sale to _____, and Sierra's due diligence disclosure in connection with its potential acquisition by _____ requires that all litigation documents be made available to it. That

necessarily includes the pleadings, discovery disclosures, testimony and exhibits in this proceeding.

3. Sierra had asked the Respondents voluntarily to amend the draft Protective Order which they submitted with their Motion for Protective Order to permit _____, pursuant to adequate safeguards, to have access to materials marked CONFIDENTIAL or HIGHLY CONFIDENTIAL. Respondents refused to amend the draft Protective Order to accommodate Sierra.

4. Sierra, accordingly, asks the Board to add a paragraph at the conclusion of the draft Protective Order to read, as follows:

"12. Given the representation of Sierra Railroad Company that is engaged in ongoing acquisition negotiations with _____, and given that _____ has made due diligence requests in connection with the potential acquisition for Sierra Railroad Company's litigation information, material marked CONFIDENTIAL or HIGHLY CONFIDENTIAL shall be made available to _____ provided that _____ also executes the Undertaking for Confidential Material and the Undertaking for Highly Confidential Material so as to be bound by the terms of this Protective Order. Prior to disclosing any litigation information to _____, Sierra Railroad Company is directed to provide Sacramento Valley Railroad, LLC with a list of documents to be provided _____ in accordance with this Protective Order. Documents designated as HIGHLY CONFIDENTIAL can be reviewed by _____ at the offices of Sierra Railroad Company in Davis, Calif., or of its counsel, Weintraub Genshlea Chediak in Sacramento, Calif. No copies of

documents designated as HIGHLY CONFIDENTIAL shall be made or provided to
_____ in either paper or electronic form."

5. The foregoing paragraph was taken almost verbatim from the Amended Protective Order entered January 23, 2012, by United States District Judge Morrison C. England, Jr. in Case No. 2:09-cv-00009-MCE-EFB, *Patriot Rail Corp. v. Sierra Railroad Company*, before the United States District Court for the Eastern District of California.

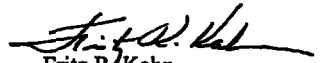
WHEREFORE, Complainants, Sierra Railroad Company and Sierra Northern Railway, ask the Board to enter the Protective Order with the foregoing additional paragraph.

Respectfully submitted,

SIERRA RAILROAD COMPANY
SIERRA NORTHERN RAILWAY

By their attorneys,

Torgny R. Nilsson
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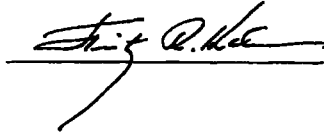

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Dated: February 23, 2012

CERTIFICATE OF SERVICE

I certify that I this day served the forgoing Reply on Sacramento Valley Railroad, LLC, McClellan Business Park, LLC and the County of Sacramento by e-mailing a copy to their counsel, Louis E. Gitomer, Esq., at lou@lgraillaw.com.

Dated at Washington, DC, this 23d day of February 2012.

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", is written over a horizontal line.